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Hon. James H. Welsh Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, Louisiana 70804-4275

Re: Upper Lyons Zone, Reservoir A

South Bourg Field

Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **APACHE CORPORATION** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Upper Lyons Zone, Reservoir A, in the South Bourg Field, Terrebonne Parish, Louisiana:

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Upper Lyons Zone, Reservoir A, in the South Bourg Field, Terrebonne Parish, Louisiana, said unit to be designated U LYONS RA SUA, as shown on the plat attached hereto and made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To provide that any wells drilled to the N Zone, Reservoir A, should be located in accordance with the provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).

- 4. To provide that the Commissioner of Conservation should be authorized to reclassify the Upper Lyons Zone, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
 - 5. To consider such others matters as may be pertinent.

The Upper Lyons Zone, Reservoir A, in the South Bourg Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 11,890 feet and 12,298 feet (electrical log measurements) in the Austral Oil Company Inc. – Lyons Unit Well No. 1, located in Section 51, Township 18 South, Range 18 East, Terrebonne Parish, Louisiana.

Pertinent data, including well logs, may be obtained **AT THE COST OF THE REQUESTING PARTY** from W. H. Robbins & Associates, 140 Rue Terrebonne, Suite 100, Lafayette, Louisiana 70508, Telephone No. 337/232-5004.

Pursuant to the Rules of Procedure, pre-application notice was given. No request for the conference was received; therefore, the conference tentatively scheduled for July 16, 2004, WILL NOT BE HELD.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal along with a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, such plat (being the same plat attached to the pre-application notice dated June 23, 2004) and list of parties are being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the plat and/or list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check on behalf of the applicant, in the amount of \$755.00 made payable to the Office of Conservation and representing the required hearing application fee.

Very truly yours,

RWRjr/df Attachments 121989_1.DOC 04430.0319 ficum levely.

Richard W. Revels, Jr.

cc: Mr. Richard Hudson, Lafayette District Office of Conservation

cc: Interested Owners, Represented Parties, and Interested Parties

